BEFORE THE PUBLIC SERVICE COMMISSION

Quadrennial Planning Review Process II	Docket No. 5-FE-100

COMMENTS OF RENEW WISCONSIN REGARDING THE APPROPRIATE SCOPE OF QUADRENNIAL PLANNING PROCESS II

RENEW Wisconsin appreciates the opportunity to respond to the Commission's Notice of Investigation and Request for Comments, issued in this docket on July 3, 2013. These comments will address decisions made in the first quadrennial planning process as set forth in Attachment A that should be revisited.

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Phase 1, 2): Should the energy efficiency and renewable resource programs address longer term market changes in addition to short-term goal achievement? If yes, what is the appropriate balance between short-term achievement and longer term market changes.

RENEW Wisconsin agrees that both short-term goal achievement and longer-term market changes should be established, and included in program planning. These market transformation and resource acquisition goals go hand-in-hand: building markets and customer bases for up-and-coming technologies today is essential to resource acquisition in future years. It appears that in recent years, there has been a stronger focus on resource acquisition, as evidenced by a historically high cost-benefit ratio. RENEW believes it would be valuable to investigate the most effective market transformation programs nationally to see if there are lessons learned on how to build markets and customer bases to accept technologies once they are ready to provide cost-effective savings. One example would be the work of the Northwest Energy Efficiency Alliance on ductless heat pump adoption.

Phase 2, Evaluation, 2. A), 4): How should measure life, degradation, and acceleration be incorporated into the documentation of life-cycle savings?

RENEW's only comment on this topic is that the measure lifetimes *and* persistence of savings should be evaluated and open for stakeholder review and input. Solar photovoltaic panels are typically warranted for 25 years, and still produce approximately 75% of initial rated output after 40-50 years. Solar photovoltaic systems are among the most persistent of all measures supported by the program.

Phase 2, Evaluation, 2. C), 4): How should the cost-effectiveness of renewable resources be evaluated?

The cost-effectiveness evaluation for renewable resources should include public policy goals, including broader societal and environmental benefits. The calculations and assumptions involved should be evaluated carefully and available for stakeholder review and input. One alternative method to Wisconsin's method that should be investigated would be Vermont's method of including certain public policy criteria in their calculations. The societal test should also be used as a factor.

Additionally, the calculations and assumptions that are used need to reflect current market conditions and prices and be flexible to adjust to changing costs and market conditions. For example, the installed cost of solar photovoltaic systems has dropped in half over the past five years. It is important to ensure that the technologies' current market prices are used so that cost-benefit calculations are accurately calculated, and that flexibility is maintained over the quadrennial period to update market prices from one year to the next.

Phase 2, Goals and Budgets, 8) What are the appropriate goals for energy efficiency and renewable resource programs, and the appropriate funding levels to achieve these goals?

In the Open Meeting of July 26, 2013, the Commissioners reiterated that the Focus on Energy Program Administrator should plan their annual program to spend up to $10 million on renewables, and not a lower target. The discussion during this docket and quadrennial plan regarding renewable resource incentives should start with determining the best way to spend these funds with a goal of $10 million which will enable Focus customers to take advantage of the incentives to better manage their energy usage and budgets, become more energy self-sufficient, and energy independent.

Related to achieving these goals, and on behalf of our members, RENEW Wisconsin believes a simpler and streamlined incentive structure for renewable resources should be investigated. In recent years, the Program Administrator has faced a difficult task of allocating incentives for renewables because of the complex set of equations guiding the current incentive structure for renewables. The Focus on Energy programs should provide certainty and predictability to the Trade Allies, who are mainly Wisconsin small business owners, and to customers and ratepayers who are funding the program. RENEW Wisconsin believes these elements can be achieved while also achieving the energy-related goals of the Focus program overall and the renewables component. Given that less than $4 million is expected to be

expended on renewables in 2013, far short of the $10 million maximum, an investigation is warranted for the next Quadrennial period.

A key element to providing this simplicity and predictability for the Focus Program Administrator, Trade Allies, and Ratepayers is to use obligated funds to determine the amount of funds that have been disbursed for all Focus on Energy incentives. If certain funds that had been obligated do not get used because project(s) did not materialize, those funds can be reissued accordingly at that later date. However, the availability of incentives for any technology should not be tied to another technology that has a very different project development cycle.

Respectfully submitted this 2nd day of August, 2013,

Tyler Huebner
Executive Director
RENEW Wisconsin
222 S. Hamilton St.
Madison, WI 53703
(608) 255-4044